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ABSTRACT

This study was conducted to assess the results of institutional manpower training in South Carolina conducted under the Manpower Development and Training Act at two skills centers, at 10 state instructional centers, and at public and private facilities throughout the state. The study found that about 72 percent of 9,800 trainees graduated, and about 77 percent of the graduates were employed. Recommended improvements include: (1) periodic surveys of employment opportunities, (2) intensive job development and placement services, (3) improved followup services for graduates and dropouts, (4) implementation of adequate controls over equipment purchased with Federal funds, (5) development of an improved reporting system, and (6) procedures for followup on implementation of recommended changes. (BH)

ED 065707

REPORT TO THE CONGRESS

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Opportunities For Improving The Institutional Manpower Training Program In South Carolina B-146789

Department of Labor

Department of Health, Education, and Welfare

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

APRIL 11, 1972

VTC16166

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-146789

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on opportunities for improving the institutional manpower training program in South Carolina.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretary of Labor; and the Secretary of Health, Education, and Welfare.

Elmer B. Staats

Comptroller General
of the United States

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ABBREVIATIONS

ESC	South Carolina Employment Security Commission
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
MDTA	Manpower Development and Training Act

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

OPPORTUNITIES FOR IMPROVING THE INSTITUTIONAL MANPOWER TRAINING PROGPAM IN SOUTH CAROLINA
Department of Labor
Department of Health, Education, and Welfare B-146789

D I G E S T

WHY THE REVIEW WAS MADE

Classroom-type manpower training under the Manpower Development and Training Act of 1962 is one of the most important of the Federal Government's manpower programs. The Departments of Labor and of Health, Education, and Welfare spend about $250 million a year on this activity.

Because of the significance of the program, the General Accounting Office (GAO) made a series of reviews, of which this is one, to assess the results of the program and the way it has been administered at the Federal and local levels.

The Federal Government spent about $16.1 million on the program in South Carolina in the last 6 years. It is administered by the State Employment Security Commission and the State Committee for Technical Education. Training activities are carried out at two skills centers, at 10 State instructional centers, and at public and private facilities throughout the State.

FINDINGS AND CONCLUSIONS

Results of program operations

Much of the data on the results of the program during the 5 fiscal years 1966 through 1970 had to be developed by GAO because summary data had not been compiled by the State agencies.

--About 9,300 training positions were authorized. (See p. 11.)

--The average budgeted cost for each position was $1,400--about $735 for allowances to trainees and $665 for training costs. (See p. 13.)

--About 9,800 persons were enrolled in training courses, and about 72 percent graduated from their training course. (See pp. 14 and 15.)

GAO interviews of randomly selected program graduates and dropouts showed that:

--About 77 percent of the graduates were employed.

--About 60 percent of the graduates, at some time after completing training, had been employed in jobs related to the training they had received. (See p. 16.)

--At the time of the interviews, a number had changed jobs or were unemployed and only about 47 percent were in training-related jobs. (See p. 16.)

--About half the dropouts cited either financial problems or sickness as the reason for dropping out of the training program. The other dropouts gave a variety of reasons for discontinuing training. (See p. 20.)

Although program data on individual training courses was maintained by the Department of Labor and the State agencies, the data had not been compiled on a State-wide basis or an areawide basis that would show (1) the number of enrollees who completed training, (2) the number of dropouts and reasons therefor, (3) the number of graduates placed in jobs, and (4) the comparisons of posttraining and pretraining earnings. (See p. 10.)

If program managers are to make informed judgments as to program effectiveness and desirable changes in program direction, they need reasonably complete, accurate, and timely data on program operations. (See p. 22.)

Opportunities for improving program operations

The responsible South Carolina agencies did not:

--Make extensive and timely surveys of job opportunities in the State which would have provided the information needed to correlate training courses with the best available job opportunities. No such survey had been made between 1967 and 1971, and skill training had to be planned on the basis of limited economic and employment data. (See p. 25.)

--Provide intensive job development and placement services to help graduates obtain suitable jobs upon completion of their training. Department of Labor evaluations of training operations in South Carolina repeatedly brought out the need for increased efforts to provide these services. (See p. 25.)

--Furnish graduates and dropouts with such further follow-up services as they may have needed in the way of counseling, additional training, job referral, or placement. Follow-up questionnaires sent to former trainees at 3- and 6-month intervals, to ascertain their current employment status, were used mainly for statistical purposes and not for identifying those who needed further assistance in obtaining and retaining jobs. No follow-up was made on the employment status of dropouts. (See p. 28.)

--Maintain adequate accountability and controls over training equipment purchased with Federal funds. Numerous items of equipment listed in the property records could not be located at the central warehouse and at three instructional centers. Also the records were neither correct nor complete. (See p. 32.)

The Departments of Labor and of Health, Education, and Welfare had not established appropriate procedures to follow up on the adequacy of the State's actions to correct weaknesses in program operations. Such weaknesses had been reported in departmental evaluation studies. (See p. 39.)

RECOMMENDATIONS OR SUGGESTIONS

The Department of Labor should provide the State Employment Security Commission with guidance in developing an improved reporting system (see p. 24) and should emphasize to the commission the importance of

--making periodic surveys of job opportunities (see p. 26);

--providing intensive job development and placement services so that each graduate has a reasonable opportunity to obtain a job which utilizes his newly developed skills (see p. 31);

--obtaining and using follow-up data on the status of graduates to identify those in need of additional counseling, training, or job-placement services; and

--assisting trainees who drop out before completing their training. (See p. 34.)

The Department of Health, Education, and Welfare should require the State Committee for Technical Education to establish adequate controls over equipment purchased with Federal funds and should monitor the implementation of the controls. (See p. 37.)

The Departments of Labor and of Health, Education, and Welfare should adopt appropriate follow-up procedures to ensure that their recommendations to improve adverse conditions are acted upon properly. (See p. 42.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The two Departments advised GAO of their general agreement with the recommendations and outlined corrective actions.

MATTERS FOR CONSIDERATION BY THE CONGRESS

Matters discussed in this report may be useful in connection with several legislative proposals now pending, which seek to strengthen federally supported manpower-training efforts.

CHAPTER 1

INTRODUCTION

Title II of the Manpower Development and Training Act (MDTA) of 1962, as amended (42 U.S.C. 2581), directs the Secretary of Labor and the Secretary of Health, Education, and Welfare to develop and institute programs to select and train unemployed persons who reasonably cannot be expected to obtain full-time employment with their present skills and underemployed persons who are working but who, with training, could obtain higher level employment. Title II authorizes both on-the-job and institutional training programs to prepare workers for job opportunities.

The institutional training program--with which this review was concerned--provides vocational training in either public or private educational institutions using a classroom method of teaching. Under MDTA the Department of Labor is responsible for

--determining the occupations for which skilled persons are needed;

--counseling, selecting, and referring applicants for institutional training;

--paying training allowances;

--assisting trained persons to find training-related employment; and

--making follow-up studies to determine whether the training programs meet the occupational needs of the persons.

The U.S. Training and Employment Service, a component of the Manpower Administration of the Department of Labor, carries out these responsibilities through agreements with State employment security agencies. Prior to March 1969 the Manpower Administration's former Bureau of Employment Security administered the program.

MDTA states that the Department of Health, Education, and Welfare (HEW) may enter into agreements with States to provide training programs--including curriculums, instructors, and facilities--for the occupations determined and the trainees selected by the Department of Labor. The Bureau of Adult, Vocational, and Technical Education of the Office of Education, HEW, carries out these training functions through agreements with State vocational education agencies.

For fiscal year 1971 the Department of Labor allocated $327.6 million for institutional training under MDTA.

DEVELOPMENT OF INSTITUTIONAL TRAINING PROGRAM PROJECTS

Institutional training program projects are developed and carried out by the local offices of the responsible State agencies in coordination with their Federal counterparts in the Department of Labor and HEW. The local State employment security office determines the need for training on the basis of comparisons of labor supply and demand and proposes the establishment of institutional training courses to a coordinating committee composed of community representatives.

After the need for training is established, the local vocational education office designates the training facilities and, in cooperation with administrators of the training facilities, prepares course curriculums and cost budgets; training allowances payable to trainees are determined by the employment security office.

Under section 301(b) of MDTA, as amended in October 1968, State employment security agencies and vocational education agencies are authorized to approve and obligate 20 percent of their apportioned funds without further project approval by the Federal Government. Additional projects can be implemented unless disapproved by either the Department of Labor or HEW within 30 days of submission by the State agencies.

The Departments' regional offices approve or disapprove projects after reviewing the projects' proposals for

compliance with all applicable laws and for conformance with departmental standards and with the State's Cooperative Area Manpower Planning System plan.

After approval of a training project, the local employment security office screens, counsels, tests, and selects persons for training and subsequently is responsible for counseling, job placement, and follow-up services. The local vocational education agency office supervises the educational and vocational training.

The Department of Labor established national training program goals for each of the fiscal years 1967 through 1970, which provided that at least 65 percent of MDTA program enrollees in each state be disadvantaged persons.

The Department of Labor has issued an MDTA Handbook which contains the regulations, policies, and procedures for the operation of the MDTA training program.

INSTITUTIONAL TRAINING PROGRAM IN SOUTH CAROLINA

To carry out the MDTA institutional training program in South Carolina, the Department of Labor entered into an agreement with the South Carolina Employment Security Commission (ESC) which operates the program through its State office in Columbia and 29 local employment security offices throughout the State.

In 1962 HEW's Office of Education entered into an agreement with the South Carolina Department of Education to carry out those provisions of title II of the act that were the responsibility of the Secretary of Health, Education, and Welfare.

In February 1964 the State Department of Education agreed to share its responsibility for the administration of the MDTA program in South Carolina with the State Committee for Technical Education, a special agency created by the State legislature in 1961 "*** for the development and implementation of an adequate vocational and technical training program." Since 1961 the State Committee has opened 13 centers for vocational instruction throughout the State.

In June 1969 the State Department of Education terminated its agreement with HEW, and, under a new agreement with HEW in September 1969, the State Committee became fully responsible for the MDTA program.

In the last 6 years--1966 through 1971--Federal funds obligated for institutional training in South Carolina totaled $16.1 million.

The program is carried out at two skills centers--the Richland-Lexington Skills Center at West Columbia and the Charleston Skills Center--at 10 of the State Committee's 13 instructional centers, and at public and private facilities throughout the State. The map below shows the locations of the skills centers and the 10 instructional centers.

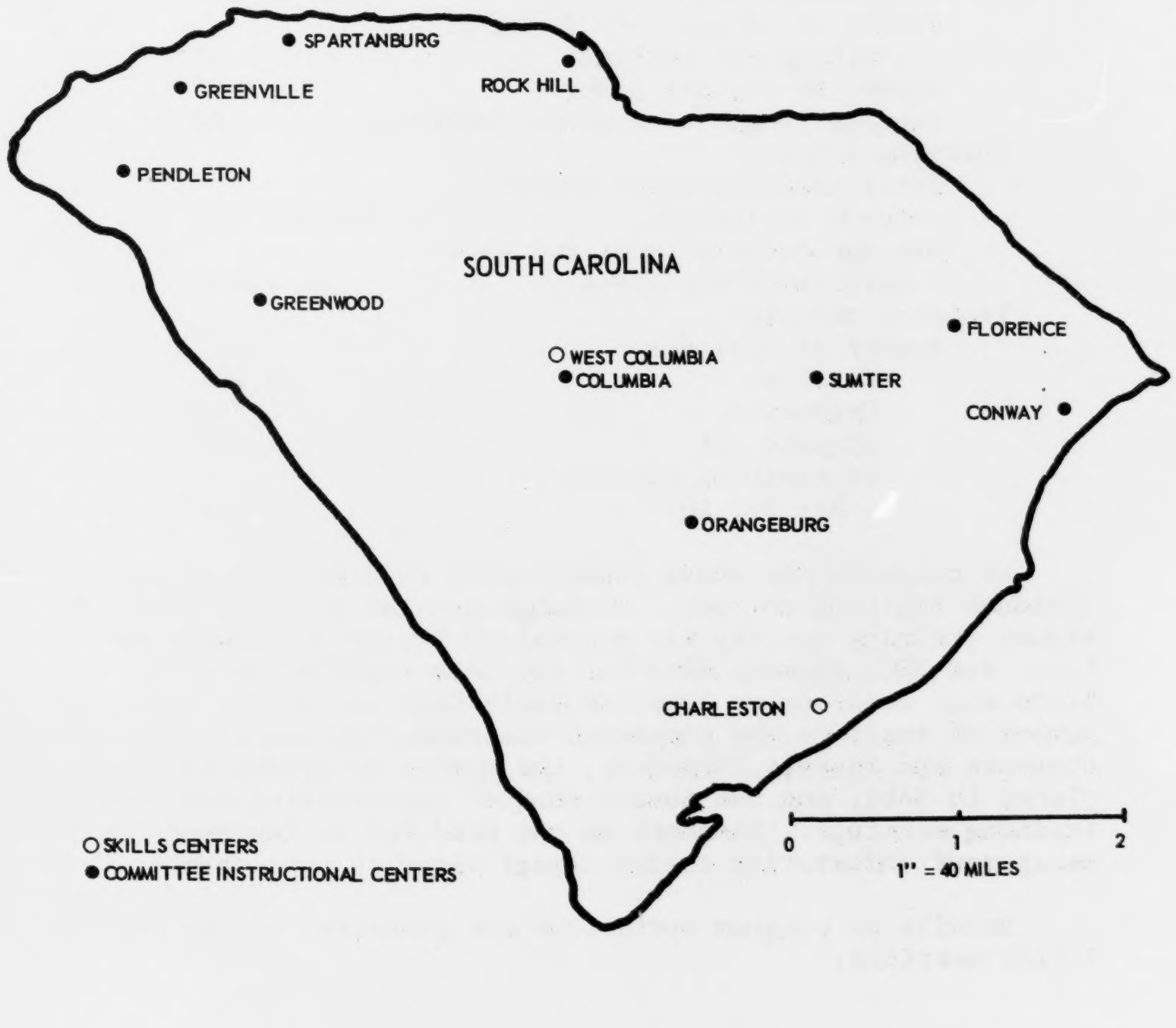
SCOPE OF REVIEW

Our review of the institutional training program in South Carolina was directed toward analyzing the results of program operations for the period July 1, 1965, through June 30, 1970, and evaluating the efficiency of program administration with primary emphasis on activities during fiscal year 1970.

We reviewed applicable legislation, policies, program documents, reports, correspondence, and other records of the Department of Labor, HEW, and the State agencies administering the program. We also interviewed officials of the Federal and State agencies. We randomly selected and interviewed 277 graduates and 39 employers with whom the graduates had been placed to obtain their views on the results of the training received by the trainees.

Our review was performed at the Department of Labor and HEW headquarters in Washington, D.C., and regional offices in Atlanta, Georgia; at the ESC State office and its local offices in Columbia, Charleston, and Greenville; and at the two skills centers and an instructional center serving the three locations. The three centers accounted for about 60 percent of the training provided during the period covered by our review.

SKILLS CENTERS AND INSTRUCTIONAL CENTERS IN SOUTH CAROLINA



CHAPTER 2

SUMMARY OF PROGRAM OPERATIONS

Highlights of institutional training program operations throughout the State of South Carolina for courses funded during the 5-year period July 1, 1965, through June 30, 1970, are summarized below.

Training provided:	
Number of authorized enrollment opportunities	9,276
Number of occupations in which training was offered	58
Number of courses given	340
Average length of courses (weeks)	26
Training costs:	
Total training costs (Federal funds obligated)	$13,000,000
Average budgeted cost for each enrollment opportunity	1,400
Training results:	
Number of trainees:	
Enrolled	9,776
Graduated	6,753
Dropped out	2,677
In training courses at May 31, 1971	346

We compiled the above summary data from records of individual training courses. Although program data for individual training courses was maintained by the Department of Labor and ESC, summary data had not been compiled on a State-wide basis or an areawide basis that would show the number of trainees who completed training, the number of dropouts and reasons therefore, the number of graduates placed in jobs, and the comparisons of posttraining and pretraining earnings. Comments on the need for an improved management information system appear later in this chapter.

Details on program operations are presented in the following sections.

TRAINING PROVIDED

The following table shows the occupations in which training was offered during fiscal years 1966 through 1970.

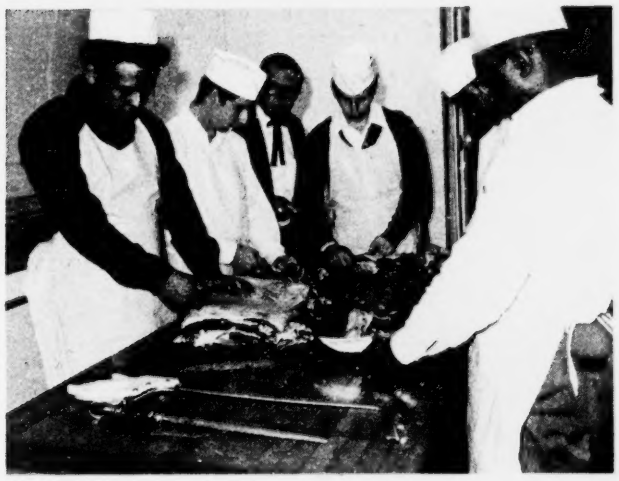
	Number of times course offered	Enrollment opportunities
Nurse's aide-hospital orderly	51	1,105
Welder, combination	28	615
Clerk, general office	20	379
Cook	14	305
Licensed practical nurse	16	340
Nurse, general duty	15	280
Carpenter	12	220
Automobile body repairman	11	235
Bricklayer	13	250
Farm machine operator	10	200
Clerk stenographer	10	220
Other--given less than 10 times (note a)	140	5,127
Total	340	9,276

[a]Includes such courses as automobile mechanic, painter, meatcutter, operating engineer, chambermaid, textile operator, and airplane mechanic.

The three occupations in which the State offered training most frequently--nurse's aide-hospital orderly, welder, and general office clerk--accounted for about 23 percent of the enrollment opportunities during the 5-year period. The eight other occupations for which the State offered training courses 10 or more times during the period accounted for an additional 20 percent of the enrollment opportunities.

Below are pictures of enrollees participating in typical training courses given at the Richland-Lexington Skills Center. (Pictures were furnished by the State Committee.)

TYPICAL MDTA CLASSES AT THE RICHLAND-LEXINGTON SKILLS CENTER



FOOD SERVICES

HOUSE REPAIR

CLERICAL

TRAINING COSTS

For fiscal years 1966 through 1970, Federal obligations for institutional training in South Carolina totaled about $13 million, as shown in the following table.

Fiscal year	Amount
1966	$ 2,805,100
1967	2,381,500
1968	1,867,400
1969	2,956,400
1970	2,979,800
Total	$12,990,200

The Department of Labor's records showed that, during the 5-year period, South Carolina offered 340 courses having 9,276 enrollment opportunities at an average budgeted cost of $1,400 a trainee--about $735 for allowances to trainees and $665 for training costs.

The length of courses given during fiscal year 1970 ranged from 1 to 52 weeks, depending on the types of occupational skill being taught, the average length being 26 weeks. The following table shows the number, length, and budgeted cost of the courses offered in various occupational areas and for specialized training during fiscal year 1970.

Occupational area or type of course	Number of courses	Length of courses in weeks	Budgeted cost for each enrollment opportunity		Federal cost
			High	Low	
Automotive and mechanical services	3	16	$1,332	$1,289	$ 78,322
Building trades	2	26	1,935	1,858	75,873
Clerical and sales	4	30 to 48	3,215	2,147	221,696
Custodial, maintenance, and general services	3	26 to 36	2,628	504	98,602
Machinery operation and welding	5	26	2,205	1,404	165,313
Medical and dental services	7	6 to 52	3,984	1,185	315,626
Multioccupational programs	5	17 to 41	1,836	284	1,475,584
Part-time and refresher	11	1 to 36	1,064	106	65,268
Individual referral (note a)	2	Various	4,086	3,451	376,887
Cooperative	1	Various	1,066		106,644
Total	43				$2,979,815

[a]The individual referral system provides for training, on a less-than-class basis, in subprofessional and technical occupations, for disadvantaged persons who may not be qualified for enrollment in a regular institutional training project but who could benefit substantially from training offered in a specialized private or public facility.

The average budgeted costs for full-time vocational courses offered in MDTA program facilities during fiscal year 1970 was $1,821. The average budgeted cost for training persons on an individual referral basis, however, was $3,769. The significantly higher cost for individual referral training is attributable to (1) the use of specialized public or private training facilities and (2) the subprofessional and technical types of occupations in which training is offered.

The costs for the part-time and cooperative training courses and for certain of the multioccupational training courses generally were lower because persons enrolled in such courses were not eligible to be paid full trainee allowances, subsistence, and transportation.

TRAINING RESULTS

Although summary data showing the results of MDTA training in South Carolina was not available at ECS or the Department of Labor, we compiled such data from status reports on the results of individual courses submitted by the State to the Department of Labor. The following tabulation shows, by fiscal year of funding, the number of enrollees, graduates, dropouts, and enrollees still in training at May 31, 1971.

Fiscal year	Enrollees	Graduates	Dropouts	Enrollees in training
1966	2,502	1,722	780	-
1967	1,759	1,234	525	-
1968	1,448	999	449	-
1969	1,996	1,481	468	47
1970	2,071	1,317	455	299
	9,776	6,753	2,677	346

The number of enrollees shown above has been adjusted for transfers between courses to eliminate duplications. During 1970, for example, 810 persons, most of them initially enrolled in prevocational training, transferred from one course to another.

During the 5-year period, about 72 percent of the enrollees completed their courses. The percentage of completions ranged from 69 percent in fiscal years 1966 and 1967 to 76 percent in fiscal year 1969.

To get a profile of the personal characteristics of those participating in institutional manpower training in South Carolina, we obtained from the Department of Labor pertinent information on 634 enrollees during fiscal year 1970. A summary of this information is contained in appendix I.

RESULTS OF INTERVIEWS OF FORMER TRAINEES

Between March 1969 and November 1970, we interviewed a randomly selected group of program graduates and a group of persons who had dropped out of training before completion. We interviewed the graduates to find out whether they were working and, if so, their hourly earnings and whether they were employed in training-related jobs. We interviewed the dropouts to find out why they had left training.

We randomly selected 322 and interviewed 277 of the 3,164 persons who had completed occupational training at certain training locations between January 1966 and August 1970. We were unable to locate the remaining 45 persons included in our sample. Our interviews showed that about

--77 percent of the graduates were employed;

--60 percent of the graduates, at some time after completing training, had been employed in jobs relating to the training they had received;

--47 percent of those employed at the time of our interviews were employed in training-related jobs; and

--29 percent of those employed reported earnings after training of less than $1.60 an hour.

The relatively low percentage of graduates employed in training-related jobs indicates the need for (1) coordinating training courses more closely with available job opportunities, (2) intensifying efforts to locate jobs for graduates and to place graduates in jobs, and (3) obtaining better follow-up data on former trainees for assessing program results and for providing additional services to the trainees. These matters are discussed in chapter 3.

Selection for interviews

A tabulation of the 3,164 graduates and those we interviewed, by occupational area, follows.

Occupational areas	Total graduates	Graduates interviewed
Automotive and mechanical services	258	25
Building trades	330	24
Clerical and sales	500	48
Culinary services	226	20
Custodial, maintenance, and general services	444	25
Machinery operation and welding	601	72
Medical and dental services	805	63
	3,164	277

Employment

Of the 277 graduates interviewed, 214 were employed. Of the 214, 102 were in training-related jobs. Of the 63 graduates who were unemployed, 42 reported that they had been employed at some time after completing training and 21 reported that they had not held any job after completing training. Following is a comparison of the employment status of the 277 graduates with the type of training provided to them.

Type of training received	Graduates interviewed	Employment status: Training-related jobs	Employment status: Non-training-related jobs	Unemployed
Automotive and mechanical services	25	4	20	1
Building trades	24	6	14	4
Clerical and sales	48	23	11	14
Culinary services	20	5	7	8[a]
Custodial, maintenance, and general services	25	8	13	4
Machinery operation and welding	72	25	34	13
Medical and dental services	63	31	13	19
Total	277	102	112	63

[a]Including one in school.

The time elapsed from the completion of training to the time of our interviews with the 277 graduates is shown in the following table.

Status	Total	More than 24 months	12 to 23 months	6 to 11 months	Less than 6 months
Employed:					
Training-related	102	45	20	17	20
Non-training-related	112	51	20	19	22
Total	214	96	40	36	42
Unemployed	63	22	5	18	18
Total	277	118	45	54	60

At the time of our interview, 102 graduates were employed in training-related jobs. Of the other 175 graduates we interviewed, 63 stated that they had been employed in training-related jobs at some time after completing training. The following reasons were given by the 63 graduates for leaving training-related jobs.

Reason	Number of graduates
Pay was not adequate	9
Personal	26
Dismissed or laid off	6
Graduate did not think he was qualified	2
Various	20
Total	63

The remaining 112 graduates, about 40 percent of those interviewed, said that they had not obtained training-related jobs at any time after completion of their training and cited the following reasons.

Reason	Number
ESC said that no training-related jobs were available or, if available, were too far from home	50
Never advised to report for work	11
Not qualified or not interested	11
Pay not adequate	15
Did not seek training-related jobs	8
Other	7
No reason given	10
Total	112

Earnings

The following wage rates were reported to us by the 214 graduates who were employed at the time of interview.

	Training-related jobs		Non-training-related jobs	
Hourly wage rate	Number	Percent	Number	Percent
Less than $1.60	34	33	28	25
$1.60 to $2.00	32	32	53	47
More than $2.00	32	31	23	21
Graduate said he did not know	4	4	8	7
	102	100	112	100

Recent graduates interviewed by us reported wage rates significantly higher than those reported to us by earlier graudates. For example, 35 percent of the graduates interviewed in 1970--who had completed training in 1969 and 1970--reported wage rates of more than $2 an hour, compared to 23 percent of the graduates interviewed in 1969--who had completed training during 1966, 1967, and 1968. Also only 12 percent of the graduates interviewed in 1970 reported wage rates of less than $1.60 an hour, compared to 34 percent of the graduates interviewed in 1969.

Examples of wage rates received by graduates in training-related jobs are listed below.

Occupation	Range of hourly wage rates
Cashier-checker	$1.30 to $1.80
Clerk, general	1.31 to 2.00
Nurse's aide-orderly	.96 to 1.80
Textile operator	1.54 to 2.15
Welder, combination	1.90 to 4.45

Job retention

We visited the employers of 39 graduates who were working in training-related jobs or who had worked in training-related jobs at some time after completing training. Employers of the 21 graduates who were then working in training-related jobs informed us that they generally were satisfied with employees' performances. Former employers of the 18 graduates who had left their training-related jobs informed us that nine had left on their own accord, two had left because of sickness, five had been dismissed because they were incapable of doing the required work, and two had been laid off because of a reduction in work force.

Dropouts

We interviewed 29 of the 266 persons who dropped out of training during 1969 and 1970 at the three local ESC offices at which we made our review, to find out why they left training. The reasons given are listed below.

Reasons for termination	Number	Percentage
Financial problems	8	27
Sickness	6	21
Accepted non-training-related employment	2	7
Course did not entail desired training	4	14
Harassed by an instructor	2	7
Transportation problems	2	7
Other	5	17
	29	100

In view of the variety of reasons cited by the former trainees for not completing training, no conclusions could be drawn with regard to the appropriateness of the training provided and possible measures to make it more responsive to their needs.

NEED FOR AN IMPROVED MANAGEMENT INFORMATION SYSTEM

ESC, in cooperation with the State Committee for Technical Education, needs to develop an improved management information system for ascertaining and reporting program activities. ESC had information available on enrollments, completions, dropouts, and placements for individual training courses, but it had not summarized this information and had not prepared reports on program results on a State-wide basis. Summary information on program results is needed by ESC, the Department of Labor, and HEW to aid in evaluating program effectiveness. Also the local ESC offices had not prepared comprehensive reports on the results of local training activities that would be useful in planning future training and in identifying those services which needed improvement.

The MDTA Handbook requires the preparation of several reports on the extent, nature, and results of training activities. Among the more important reports, for the purpose of analyzing program operations, are the MDTA monthly progress reports and the job follow-up questionnaires.

Each of the three local ESC offices prepared a MDTA monthly progress report. This report is designed, according to the handbook, to provide summary data on the status of each training course, to enable program managers to effectively use MDTA training resources, and to maintain appropriate management control. The report contains information on the number of persons who enrolled, transferred between courses, dropped out, graduated, or obtained employment. The reports are forwarded through the State ESC office to the Department of Labor in Washington, D.C. The manager of ESC's Research and Statistics Section told us that the State ESC office made no use of the data contained in the monthly progress reports; the office merely forwarded the reports to the Department of Labor.

At 3- and 6-month intervals after a trainee graduates, ESC mails a follow-up questionnaire to him to obtain information on his current job status. The questionnaire requests data on the former trainee's employment status, job title, hourly earnings, and what he is doing if he is not working.

Each of the three local offices used this or a similar procedure to obtain follow-up information from former trainees. Generally the local office did not use the data for any purpose other than to justify future training courses. The State ESC office did not use the data for any purpose.

None of the three local ESC offices prepared reports on the results of training courses for their own use. Two of the offices compiled certain data for the Cooperative Area Manpower Planning System plan--a system through which Federal, State, and local agencies administering and operating manpower programs develop coordinated plans. This data was limited, however, to the number of enrollments, dropouts, and completions, but it did not include data on employment or earnings of graduates.

We discussed the fact with State officials that neither the State Committee nor ESC had prepared areawide or State-wide reports on program activities. The State Committee's MDTA State Supervisor told us that such reports had not been prepared because they were not required by the State or by HEW. The manager of ESC's Research and Statistics Section said that ESC had not compiled any State-wide reports on the results of the MDTA program, although such a report formerly had been prepared but was discontinued. He told us that ESC was working on an automated reporting system which would enable the accumulation of data on MDTA results.

ESC, the State Committee, and regional officials of the Department of Labor and HEW agreed that there was a need for improved reporting on program activities. A State Committee official said that such reports would provide it with a good basis for evaluating and making program changes where appropriate.

Conclusions

If program managers are to make informed judgments as to program effectiveness and changes in direction, they need reasonably complete, accurate, and timely data on program operations. An improved management information system would provide such data.

Recommendation to the Secretary of Labor

We recommend that the Department of Labor provide ESC with guidance in developing an improved reporting system to assist State and local officials in carrying out their responsibilities for planning, operating, evaluating, and improving the MDTA training program and to provide information to the Department of Labor and HEW for use in evaluating program effectiveness.

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The Department of Labor, in commenting on our draft report (see app. II), advised us that a private firm had been awarded a contract to develop a joint Department of Labor and HEW reporting system to provide the data needed to improve the planning and management of the MDTA program. The Department said that it expected that the system would be in operation on a pilot basis in selected States at the beginning of fiscal year 1973.

CHAPTER 3

OPPORTUNITIES FOR IMPROVING PROGRAM OPERATIONS

Several opportunities exist for improving institutional training program operations in South Carolina, as described in the sections that follow.

NEED FOR MORE EXTENSIVE AND TIMELY SURVEYS OF JOB OPPORTUNITIES

As noted in the previous chapter (see pp. 16 to 21), a significant number of graduates in past years were not able to find training-related jobs, were in low paying jobs, or were unemployed. We believe that improvements in these areas are possible through making sufficiently extensive and timely surveys of existing and potential job opportunities in the State of South Carolina and in the specific local area where training is being conducted and where trainees are to be placed in jobs.

The MDTA Handbook states that, before institutional training programs are started, an unmet demand should exist for workers with the particular skills which are planned to be taught under MDTA. ESC's responsibilities, under its agreement with the Department of Labor, include:

1. Providing the local employment security offices with the leadership and necessary procedures for determining the occupations in which training is needed.

2. Selecting areas in which surveys will be conducted.

3. Scheduling surveys.

4. Training employees to conduct surveys and to develop training projects at the State and local office level.

5. Providing technical assistance to local offices in conducting surveys of training needs.

6. Determining the supply of eligible trainees.

7. Developing training proposals.

Our review at the State ESC office revealed that the most recent information on job opportunities in local areas within the State was a 1967 survey. Also the most recent survey information available at the three local ESC offices included in our review had been developed in 1967 and was limited in scope and was outdated. Local ESC officials advised us that they relied on some limited data that they had gathered on anticipated needs of certain local employers, on anticipated local economic expansion and growth, and on the success of graduates from previous training courses in obtaining jobs.

State ESC officials and regional Department of Labor officials agreed that there was a need for more extensive and current surveys of job opportunities in South Carolina. Therefore a State-wide survey of job opportunities was undertaken in fiscal year 1971 and was completed in May 1971. The survey represents the most comprehensive listing of occupational statistics ever produced in the State, which should be useful in identifying job opportunities and in developing meaningful institutional training courses.

To ensure continuous maximum effectiveness of skill training financed by the Federal Government, it is essential that in the future the State agencies in South Carolina also make periodic surveys of this nature in sufficient depth to determine the most current occupational needs of potential employers and direct skill-training courses to these needs.

Recommendation to the Secretary of Labor

We recommend that the Department of Labor emphasize to ESC the importance of making periodic surveys of job opportunities for the purpose of developing training courses that best serve the needs of the unemployed and underemployed and of employers.

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The Department of Labor advised us that the Assistant Secretary of Labor for Manpower recently had decided that a goal of 90-percent placement rate for those trainees who

complete MDTA institutional training should be achieved and that an appropriate memorandum to the field was being prepared to provide instructions for meeting this goal.

The Department stated that this memorandum would strongly reemphasize to the States that a job survey would be required prior to the establishment of any MDTA training course, that the information on available job opportunities should not be more than 60 to 90 days old, and that the training needs should be spelled out specifically.

NEED FOR INTENSIFIED JOB DEVELOPMENT AND JOB PLACEMENT ASSISTANCE

Job development and job placement are services contemplated under federally supported manpower programs for the purpose of locating employers with job opportunities in occupations requiring the skills taught in MDTA courses and placing graduates in such jobs.

The three local ESC offices included in our review did not provide intensive job development and job-placement services to help graduates obtain suitable jobs but generally relied on employers to send them notices of job openings and on graduates to apply for placement assistance and did not actively solicit jobs for program graduates.

According to the MDTA Handbook, a primary objective of the institutional training program is the prompt and successful placement of persons in jobs which fully utilize the skills developed through their training. The handbook directs the State employment security agencies to devote maximum energy, imagination, and initiative to ensure that, insofar as possible, every trainee obtains suitable employment upon completion of training.

The handbook states that:

> "Successful job development and placement of MDTA trainees involve many activities and the coordinated efforts of local office staff along with technical assistance from the State, regional, and national office staff. It is incumbent upon local office management to assign responsibility for the various activities to specific personnel and to insure that the activities are properly coordinated and supervised."
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> * * * * *
>
> "The degree of ease with which trainees are successfully and promptly placed will be in direct ratio to the amount of effort expended in job development while the training is in progress. For this reason, it is imperative that job

development efforts begin when the starting date of the course has been definitely established and continue to its completion. At each stage of the training course, i.e., beginning, during, and completion, specific action should be taken with employers to secure their cooperation, participation in the training activity, and acceptance of trainees. Simultaneous action must be taken with the trainees to prepare them for entry into the occupational field for which they are being trained."

The MDTA program coordinators at the three offices included in our review agreed that job development and placement services generally were less than adequate. The coordinators at two offices pointed out, however, that they did not have enough employees to carry out these functions in the manner prescribed in the MDTA Handbook. The coordinators explained to us that placement interviewers at the local offices talked to the potential graduates about 2 weeks prior to their completing a training course to determine their employment needs, that the interviewers assisted trainees in filling out job applications, but that they relied primarily on job orders received from employers in order to place graduates. The offices treated MDTA graduates in the same manner as other job applicants and provided no special job-placement assistance.

An official of the State Committee told us that the State Committee's training staff had assumed some of the job-placement responsibilities because of ESC's limited efforts in this area. Also one of the instructors, with whom we discussed this matter, told us that he knew the strengths and weaknesses of his trainees and could do a good job in matching a graduate with an employer.

Several Department of Labor evaluation reports contained comments on problems in job development and placement services in South Carolina. In October 1965 the Division of Training Operations Evaluation and Review of the U.S. Employment Service issued a report on the MDTA program which stated that job development in the South Carolina program was an area in which improvements were needed, particularly in the role of the local office. The report recommended that:

"*** A better plan of intensified efforts should be developed to find employment for those graduates unable to find and hold suitable employment."

Two later Department of Labor evaluations of the operations of the local ESC offices in Charleston and Beaufort (reported in 1967) and in Columbia (reported in June 1969) again pointed up the need for increased emphasis by the local offices on job development and placement. The 1967 report emphasized that job development and placement efforts start at the time of enrollment, rather than at completion of training.

We believe that the provisions of the MDTA Handbook relating to job development were not being followed at the three local offices, particularly with respect to starting job development in the early stages of a training course. We believe also that more extensive and timely surveys of job opportunities would have placed the local offices in a better position to provide these services.

State ESC and regional Department of Labor officials agreed that there was a need for intensive job development and placement services for program graduates. An ESC official told us, however, that the higher rates of unemployment during 1970, particularly in higher skilled jobs, made placement more difficult than usual. He told us also that in February 1971 the two skills centers in the State had implemented an employability team concept for job development and placement. Under this concept ESC's staff stationed at the centers and the skills centers' own staff work together on job development and placement functions.

A State Committee official told us that he expected that this concept would serve as the basis for additional joint efforts by ESC and the State Committee in providing job development and placement services.

Conclusions

Successful job development and placement requires concentrated and coordinated efforts of local office staffs, together with technical assistance from State and Federal

regional office staffs. The significant number of program graduates who were unemployed or who did not obtain training-related jobs points to the need for more intensive job development and placement services by ESC's staffs at the local offices.

Although ESC and the State Committee have taken action to improve job development and placement services to MDTA graduates at the two skills centers, it is essential that the two agencies intensify their efforts in these areas to ensure that program graduates at other training locations have the opportunity to obtain suitable jobs in the occupational field for which they have been trained.

Recommendations to the Secretary of Labor

We recommend that the Department of Labor (1) emphasize to ESC the importance of appropriate job development and placement services to MDTA graduates and (2) encourage ESC to intensify, in cooperation with the State Committee, job development and placement efforts to reasonably ensure that each graduate has an opportunity for prompt and successful placement in occupations which fully utilize the skills developed through his training.

The Department of Labor advised us that the proposed instructions to the field calling for a 90-percent placement goal (see p. 26) would stress the intensification of job development and placement efforts. The instructions are expected to state that training programs should not be initiated without a very strong indication that actual jobs will exist upon completion of training in the occupations for which job seekers are being trained. The instructions will require that, whenever possible, specific commitments from employers should be developed or, as an alternative, a general pledge to hire a specific number of persons should be elicited.

NEED FOR IMPROVED FOLLOW-UP SERVICES TO TRAINEES

ESC should improve its follow-up services to trainees who have completed training or dropped out of training and who may need further assistance with regard to counseling, additional training, job referral or placement.

The MDTA Handbook states that local employment security offices are expected to maintain contact with trainees, and their employers, after completion of training. The handbook requires the local offices to mail a follow-up questionnaire at 3- and 6-month intervals to trainees who have completed a training course or who have accepted employment before completing training.

The questionnaire calls for such information as status--employed; not working and not looking for a job; in Armed Forces; looking for a job; or waiting to report to a job--number of hours worked in past week, hourly earnings, and job title or description. The handbook recognizes that trainees may require additional services after training and calls for the local offices to provide such services as counseling and placement.

In a letter dated June 1, 1966, to all State employment security agencies, the Administrator of the Department of Labor's Bureau of Employment Security pointed out that the contribution of the MDTA program is measured largely by the success of its graduates in employment. The letter stated that the considerable investment made to provide graduates with needed occupational skills requires positive efforts by local offices (1) to place unemployed graduates in suitable jobs and (2) to correct program deficiencies which may have contributed to such unemployment. The letter directed the State agencies to (1) encourage unemployed graduates to report to their local offices for further services and (2) confer with employers on why graduates were laid off or not hired.

We examined follow-up records and discussed follow-up procedures with ESC staff at the three local ESC offices

included in our review. Our work indicated that the procedures were not adequate to meet many trainees' needs.

The MDTA coordinators at the three offices told us that they used the data obtained through the questionnaires primarily to justify future training courses. They said that the data on the results of previous courses was accumulated and was included in the application forms sent to the Department of Labor for authorization to conduct additional training courses. The coordinators told us that they did not use the data to identify graduates who needed additional training, counseling, or job-placement assistance.

An improved procedure was implemented by the local ESC office at Greenville in the fall of 1970 when follow-up data was used as a basis for requesting unemployed graduates to come to the ESC office for follow-up services. Also a statement was added at the bottom of the questionnaire requesting unemployed graduates to report to the local employment office for placement assistance.

Our interviews with various graduates who were no longer employed in training-related jobs revealed that a number of them had experienced personal problems, such as the lack of suitable transportation or the inability to get along with their employers, which resulted in their leaving the training-related jobs. These persons, it appeared to us, could have been aided in overcoming such problems and other unemployed former trainees might have been aided in finding jobs, if ESC had provided them with counseling, referrals, or other related follow-up services.

The three coordinators told us that they did not follow up to obtain information on the employment status of dropouts or any additional services the dropouts might have needed to find employment. They said that this was not done because (1) it is not required by the MDTA Handbook and (2) they did not have sufficient staff.

As part of the overall follow-up and evaluation process to determine whether the MDTA program is meeting the needs of its trainees, the handbook requires the local offices to contact the employers of program graduates. None of the

three offices had contacted employers, although the handbook requires them to do so.

Officials of the State Committee, ESC, and the regional offices of the Department of Labor and HEW agreed that obtaining and using follow-up information was important to the program. ESC officials explained, however, that a shortage of employees was the primary reason for ESC's not having an adequate follow-up program and not evaluating the information that it had obtained.

Conclusions

A need exists for ESC to improve its follow-up activities and to make better use of available follow-up data to identify trainees, whether graduates or dropouts, who need further assistance in obtaining and retaining jobs. It is essential that the local offices provide follow-up services to trainees in need of assistance, so that the Government's investment in the trainees is not lost.

Recommendation to the Secretary of Labor

We recommend that the Department of Labor emphasize to ESC the importance of

--obtaining and using follow-up data on the status of graduates to identify those in need of additional services--such as counseling, more training, or job placement--and

--assisting trainees who drop out before completing their training.

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The Department of Labor advised us that its proposed instructions to the field would stress not only the need for follow-up data but also the intensification of counseling and supportive services for trainees after they were placed in jobs. The instructions would stress also the need to fully assess the motivation and real interests of potential trainees before referring them to training.

NEED FOR ADEQUATE CONTROLS OVER EQUIPMENT PURCHASED WITH MDTA FUNDS

During a prior review of MDTA activities in South Carolina in fiscal year 1969, we found that the State Committee had exercised inadequate control over equipment--such as tools and training aids--purchased with MDTA program funds because of deficiencies in (1) records of equipment on hand, (2) physical inventory procedures, and (3) accounting control. At that time we brought our findings to the attention of officials of the State Committee who informed us that action would be taken to improve the accountability and control over property.

Our follow-up review in 1970 of property records at the State Committee's central warehouse in Columbia, the Greenville instructional center, and the two skills centers showed that the proposed improvements had not been carried out. Equipment custodians could not locate many items which had been purchased with MDTA funds. Because the State Committee's records did not show the cost or other value of individual equipment items, we were unable to ascertain the value of inventory items not accounted for.

At the MDTA program central warehouse, equipment custodians could not locate 32 of 104 equipment items randomly selected by us from the warehouse's property records. The property clerk at the warehouse told us that 18 of the 32 missing items had been transferred out of the warehouse and that one of the 32 items should not have been listed in the records; he had no documentation evidencing the transfer of nine of the 18 items. He was unable to explain the disposition of the other 13 missing items. We found six items in the warehouse tagged as MDTA equipment--a slide projector, an electric range, and four automobile wheel balancers--which were not shown on the property records.

At the Charleston Skills Center, equipment custodians could not find 193 of the 1,068 equipment items recorded on the property records. There were 126 equipment items in storage, however, which were not included on the records, 27 of which, except for serial numbers, were similar to the missing items. Property officials at the Center told us that 23 of the 193 missing items had been transferred to

other locations and that another 60 of the items had been incorrectly recorded. They could offer no explanations for the other 110 missing items. Similar conditions existed at the Greenville training center and at the Richland-Lexington Skills Center.

The State Committee did not exercise adequate accounting control over equipment purchased with MDTA funds. The State Committee's accounting for equipment was limited to recording, on an individual training-project basis, the cost of equipment purchased, but it had not maintained an accounting record of the cost of equipment for the program as a whole or for each training center and had not given any accounting recognition to the loss, destruction, retirement, transfer, or other disposal of equipment.

Also weaknesses existed in the method of taking physical inventories. The State Committee's inventory procedures provided that the State equipment manager send a copy of an equipment listing to each installation once a year and that the equipment coordinator at the installation, who has custody of the equipment, conduct the inventory and adjust, if necessary, the inventory records. No provision was made for State property management employees to be present when the inventories were taken.

The essential features of an adequate property control system are the separation of responsibilities for the maintenance of inventory records, the taking of inventories, and custodianship of the goods. The State Committee's control over inventories was compromised because of its failure to separate these various functions.

Officials of the State Committee and HEW's regional office agreed that a need existed for better controls over MDTA program equipment. State Committee officials told us that they were aware of problems in this area, that improvements had been or were being made, but that the State Committee still did not have the control over equipment they would like to have. Among the improvements cited by the State Committee were:

1. The addition of two new staff members to the State Committee's property record unit to conduct physical

inventories and assist in the maintenance of equipment records.

2. The initiation by the property record unit of a State-wide location-by-location physical inventory of MDTA equipment.

3. The tightening of procedures on the transfer of equipment between centers.

HEW regional officials said that the matter of adequate controls over equipment had been of concern to them for some time and they agreed that improvements were needed.

Conclusions

Although there has been some progress in improving controls over MDTA equipment, our review has shown that some of the problems which we brought to the State Committee's attention in fiscal year 1969 continued to exist and that additional corrective action was needed. Records of equipment on hand were incomplete; there was no adequate accounting control over equipment purchased with MDTA funds; and the State Committee's method of conducting the inventories needed better checks and balances so that those persons who have physical custody of the equipment would not take the inventory and adjust the property records.

Recommendations to the Secretary of HEW

We recommend that HEW

--require the State Committee for Technical Education to establish adequate controls over equipment purchased with MDTA funds and

--monitor the State Committee's implementation of the controls.

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HEW, in commenting on our draft report (see app. III), said that it concurred in our recommendations and that the Office of Education, through its regional office, currently

was assisting the State Committee in establishing an adequate equipment control system which would require the hiring of additional personnel. HEW said also that the regional office would endeavor to monitor these controls more frequently and thoroughly.

NEED FOR FOLLOW-UP OF ACTIONS TAKEN TO CORRECT PROGRAM WEAKNESSES

The Department of Labor and HEW need to adopt appropriate procedures to follow-up on the adequacy of the State's actions to correct weaknesses found during Federal reviews of program operations.

The Department of Labor and HEW have issued instructions requiring their regional offices to monitor the MDTA program. Such monitoring is concerned with the Department's and HEW's responsibilities under the law and regulations. A Department of Labor memorandum, establishing the organizational structure of the Manpower Administration's regional offices, assigned to these offices the responsibility for monitoring State agency operations on all manpower programs and for reviewing and analyzing data and reports to initiate or recommend actions to effect necessary changes.

The Director, Division of Manpower Development and Training, Office of Education, HEW, told us that after 1963 the HEW regional offices had responsibility for the monitoring of MDTA programs as they related to HEW's role. In February 1971 the Office of Education issued a statement on the roles and responsibilities of its regional offices, which provides that one of the functions of the regional commissioner is to monitor ongoing programs and projects, to assess and evaluate program effectiveness, and to recommend operational changes.

The regional offices of the Department of Labor and HEW in compliance with departmental instructions had made several reviews and evaluations of the MDTA program operations in South Carolina, which resulted in significant recommendations for program improvements.

During fiscal years 1966 through 1970, the Department of Labor made the following reviews of MDTA programs in the State.

Coverage	Date of review
State-wide program	September to October 1965
Activities of MDTA advisory committees	April 1967
Program activities in Charleston and Beaufort areas	April 1967
Program activities in Columbia area	June 1969

The Department's 1965 report contained recommendations for (1) more aggressive activities to achieve the placement of training graduates, (2) establishment of follow-up procedures on the results of training through personal contact with graduates, and (3) development of a system of self-evaluations of the manpower training in the State.

The 1967 evaluation report on the training in the Charleston and Beaufort areas discussed the need for (1) increased counseling by ESC of persons prior to their enrollment, (2) increased efforts on job development and placement, and (3) better follow-up services with an emphasis toward finding suitable employment for those persons having difficulty in establishing themselves in the labor market.

The 1969 report on training in the Columbia area included recommendations for (1) more counseling and follow-up services, (2) more emphasis on job development and placement of trainees, and (3) maintenance of more complete records on trainees.

State officials and regional officials of the Department of Labor were unable to provide us with a copy of the report on the results of the 1967 review which was directed toward evaluating MDTA advisory committees.

We found no indication that the State had satisfactorily corrected the problems discussed in the Department of Labor's reports issued between April 1967 and June 1969 and that the Department of Labor had followed up to see whether the recommended changes had been made. Such problems as the need for better job development and placement and the need to provide follow-up services to former trainees, as

discussed in an earlier chapter of this report, continued to exist in 1970.

HEW's monitoring of training activities generally was made as a part of field visits by its regional staff to review and approve the State's applications for new training courses. HEW regional officials told us that they did not have the staff to make reviews for the sole purpose of evaluating program operations.

The officials estimated that 59 visits had been made by the HEW staff during fiscal years 1966 through 1970 as shown below.

Fiscal year	Number of visits
1966	15
1967	12
1968	14
1969	10
1970	8
Total	59

We reviewed the regional office's files of available trip reports on the field visits. Some of these reports showed that the regional program officers had made suggestions to the State Committee regarding the use of teaching aids--such as texts, reference books, and work books--and improvements in instruction, guidance and counseling, and local supervision. One trip report identified two basic problems as (1) the proper accounting and use of MDTA equipment and supplies and (2) organization, duties and responsibilities of the State supervisory staff. The trip reports contained no comments on actions taken to correct previously reported adverse conditions.

Neither the Department of Labor's nor HEW's instructions to the regional offices called for appropriate follow-up to ascertain the status of recommended changes in program operations.

Recommendation to the Secretaries of Labor and of Health, Education, and Welfare

We recommend that the Department of Labor and HEW adopt appropriate follow-up procedures to ensure that their recommendations for improvements are acted upon properly.

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The Department of Labor advised us that review procedures recently had been established whereby skills center funding could be denied if recommended changes to meet standards were not accomplished. Also the Department recently had completed work on a revised monitoring handbook which states that the Government representative who is monitoring MDTA institutional training programs must determine whether previously recommended corrective actions have been made.

HEW commented that the Office of Education would develop and implement necessary procedures providing for regional office follow-up to ensure that deficiencies noted during Federal reviews are corrected. HEW also stated that Office of Education representatives would discuss with Department of Labor representatives our findings and recommendations with respect to the program in South Carolina and would plan joint action with the State to correct the reported adverse conditions.

APPENDIX I

CHARACTERISTICS OF CERTAIN MDTA TRAINEES IN SOUTH CAROLINA

Characteristics of 634 MDTA trainees enrolled during fiscal year 1970 on the basis of data furnished by the Department of Labor follow.

	Percent
Sex:	
Male	54.3
Female	45.7
	100.0
Age:	
Under 19	9.1
19 to 21	31.4
22 to 34	40.4
35 to 44	11.5
45 to 54	5.8
55 and older	1.7
	100.0[a]
Race:	
White	48.9
Black	50.8
American Indian	-
Oriental	.2
Other	.2
	100.0[a]
Family status:	
Family head:	
Yes	53.2
No	46.8
	100.0

APPENDIX I

	Percent
Marital status:	
Never married	46.7
Married	38.2
Divorced-separated	11.8
Widow-widower	3.3
	100.0
Years of school completed:	
Under 8 years	9.0
8 years	6.3
9 through 11 years	28.4
12 years	51.3
Over 12 years	4.9
	100.0[a]
Unemployment insurance claimant:	
Yes	6.3
No	93.7
	100.0
Public assistance recipient:	
Yes	2.5
No	97.5
	100.0
Prior employment status:	
Employed	.3
Underemployed	23.6
Unemployed	72.1
Family farm worker	.3
Not in labor force	3.6
	100.0[a]

[a]Does not add to 100% due to rounding.

U.S. DEPARTMENT OF LABOR
OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION
WASHINGTON, D.C. 20210

DEC 6 1971

Mr. Henry Eschwege
Associate Director
Civil Division
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Eschwege:

We have reviewed the General Accounting Office draft report entitled "Opportunities for Improving the Institutional Manpower Training Program in South Carolina". For your convenience, our replies to the recommendations are in the same order as presented in the report.

1. We recommend that the Department of Labor provide the South Carolina Employment Security Commission (ESC) with guidance in developing an improved reporting system to assist State and local officials in carrying out their responsibilities for planning, operating, evaluating, and improving the MDTA training program and to provide information to the Department of Labor and HEW to aid in evaluating program effectiveness.

North American Rockwell Information Systems Company (NARISCO) has been awarded a Federal contract to develop a joint DOL/DHEW reporting system to provide the data needed to improve the planning and management of the MDTA program. NARISCO is presently doing nationwide field work as a first step toward this objective. This reporting system is part of the Unified Performance Programming (UPP) system which is being designed to simplify planning and operation of the Institutional Training Program at the State level. Hopefully, this system will be in operation on a pilot basis in selected States at the beginning of next fiscal year.

2. We recommend that the Department of Labor emphasize to ESC the importance of making adequate surveys of job opportunities for the purpose of developing training courses that best serve the needs of the unemployed and underemployed and the skill requirements of employers.

APPENDIX II

It has recently been decided by the Assistant Secretary of Labor for Manpower that the goal of a 90 percent placement rate for completors of MDTA Institutional Training programs will be achieved. As a first step in meeting this goal, a Field Memorandum has been developed by the Division of Institutional Training and is presently in Manpower Administration clearance procedures. This Field Memorandum has instructions, among others, to tighten up the MT-1 process (Notification of Occupational Training Needs under MDTA). It will be strongly re-emphasized to the States that a job survey will be required prior to the establishment of any MDTA training course, that the information be not more than 60 to 90 days old, and that the training needs be spelled out specifically.

3. We recommend that the Department of Labor (a) emphasize to ESC the importance of appropriate job development and placement services to MDTA graduates and (b) encourage ESC to intensify, in cooperation with the State Committee, job development and placement efforts to reasonably ensure that each program graduate has an opportunity for prompt and successful placement in occupations which fully utilize the skills developed through his training.

The Field Memorandum for a 90 percent placement rate goal stresses the intensification of job development and placement efforts. It instructs that training programs should not be initiated without a very strong indication that actual jobs will exist upon completion of training in the occupations for which training is being conducted and for the type of individuals being trained. Whenever possible, it indicates that specific commitments from employers should be developed, or as an alternative, a general pledge to hire a specific number of persons should be elicited. The Field Memorandum also stresses the intensification of counseling and supportive services for trainees, particularly after the trainee is on the job which offers the opportunity for the most effective, immediate and realistic counseling.

4. We recommend that the Department of Labor emphasize to ESC the importance of (a) obtaining and using follow-up data on the status of persons who have completed their training to identify those who may be in need of additional services such as counseling, more training, or job placement, and (b) assisting persons who drop out before completing training

[See GAO note.]

As discussed in the previous recommendation, the Field Memorandum not only stresses the need for follow-up data, but also the intensification of counseling and supportive services for trainees after they are placed in a job. Also, the adoption of the 90 percent placement goal should reduce the number of dropouts. The Field Memorandum stresses the need to fully assess the motivation and real interests of potential trainees before referring them to training. If a person's interest closely matches the type of training he is in, and if he is strongly motivated to become employed in the type of occupation for which he is being trained, he is much less likely to become a dropout. In addition, a request has been made to let a Technical Assistance and Training (TAT) contract under Section 309 of the MDTA. The contractor is to develop a follow-up system for all manpower training programs. This request has received tentative approval.

[See GAO note.]

5. We recommend that the Department of Labor and HEW adopt appropriate follow-up procedures to ensure that their recommendations to improve adverse conditions are properly acted upon.

The recently issued Guidelines for the Planning and Development of Skills Centers has already established review procedures whereby recommendations for approval of MDTA Skills Center base funding could be denied if recommended changes to meet standards are not accomplished. Also, work has recently been completed on the newly revised monitoring handbook. The handbook specifically states that the Government Authorized Representative who is performing the monitoring of MDTA Institutional Training programs must determine if previously recommended corrective actions have been made.

We appreciate the opportunity to review and comment on this draft report.

Sincerely,

Frank C. Zarb
Assistant Secretary
for Administration

GAO note: The deleted comments pertain to matters discussed in the draft report but omitted from this final report.

APPENDIX III

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

JAN 4 1972

Mr. Henry Eschwege
Associate Director, Civil Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Eschwege:

The Secretary has asked that I reply to your letter dated October 13, which forwarded your draft report entitled "Opportunities for Improving the Institutional Manpower Training Program in South Carolina."

Detailed comments on the recommendations pertaining to this Department, together with the statement of actions to be taken to implement them, are set forth in the enclosure. They are the product of a review of the report by the State Committee for Technical Education and cognizant Departmental and Office of Education staff. A copy of the State Committee's comments is also enclosed. [See GAO note.]

We appreciate the opportunity to review and comment on the report.

Sincerely yours,

James B. Cardwell
Assistant Secretary, Comptroller

Enclosures

GAO note: The State Committee's comments are not included in this report.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE COMMENTS PERTINENT TO THE DRAFT REPORT TO THE CONGRESS OF THE UNITED STATES BY THE UNITED STATES GENERAL ACCOUNTING OFFICE ON OPPORTUNITIES FOR IMPROVING THE INSTITUTIONAL MANPOWER TRAINING PROGRAM IN SOUTH CAROLINA

The Department of HEW should require the State Committee to establish adequate controls over equipment purchased with MDTA funds and monitor the Committee's implementation of the controls.

Department Comment

We concur in the recommendation.

The Office of Education, through its regional office, is currently assisting the State agency (the State Committee for Technical Education) in establishing an adequate equipment control system. This will require the hiring of additional personnel. The regional office will endeavor to monitor these controls more frequently and thoroughly.

Appropriate follow-up procedures should be adopted to insure that the State agency is acting to correct deficiencies noted during reviews of their operations by Federal representatives.

Department Comment

The Office of Education will develop and implement necessary procedures providing for regional office follow-up to assure that deficiencies noted during Federal reviews are corrected. Also, with respect to the specific State in question, OE representatives will meet with Department of Labor representatives to (i) discuss this report's findings and recommendations, and (ii) plan a joint within-State meeting of those concerned with the intent of correcting the reported adverse conditions.

APPENDIX IV

PRINCIPAL OFFICIALS OF THE DEPARTMENT OF LABOR AND THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE RESPONSIBLE FOR ADMINISTRATION OF THE INSTITUTIONAL TRAINING PROGRAM

	Tenure of office	
	From	To
DEPARTMENT OF LABOR		
SECRETARY OF LABOR:		
James D. Hodgson	July 1970	Present
George P. Shultz	Jan. 1969	June 1970
W. Willard Wirtz	Sept. 1962	Jan. 1969
ASSISTANT SECRETARY FOR MANPOWER:		
Malcolm R. Lovell, Jr.	July 1970	Present
Arnold R. Weber	Feb. 1969	July 1970
Stanley H. Ruttenberg	June 1966	Jan. 1969
MANPOWER ADMINISTRATOR:		
Paul J. Fasser, Jr.	Oct. 1970	Present
Malcolm R. Lovell, Jr.	June 1969	Oct. 1970
J. Nicholas Peet	Feb. 1969	June 1969
William Kolberg (acting)	Jan. 1969	Feb. 1969
Stanley H. Ruttenberg	Jan. 1965	Jan. 1969
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE		
SECRETARY OF HEALTH, EDUCATION, AND WELFARE:		
Elliot L. Richardson	June 1970	Present
Robert H. Finch	Jan. 1969	June 1970
Wilbur J. Cohen	Mar. 1968	Jan. 1969
John W. Gardner	Aug. 1965	Mar. 1968

	Tenure of office	
	From	To
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE (continued)		
ASSISTANT SECRETARY (EDUCATION), DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE:		
Vacant	June 1970	Present
James E. Allen, Jr.	May 1969	June 1970
Peter P. Muirhead (acting)	Jan. 1969	May 1969
Lynn M. Bartlett	July 1968	Jan. 1969
Paul A. Miller	July 1966	July 1968
Francis Keppel	Oct. 1965	May 1966
COMMISSIONER OF EDUCATION:		
Sidney P. Marland, Jr.	Dec. 1970	Present
Terrel H. Bell (acting)	June 1970	Dec. 1970
James E. Allen, Jr.	May 1969	June 1970
Peter P. Muirhead (acting)	Jan. 1969	May 1969
Harold Howe, II	Jan. 1966	Dec. 1968

U.S. GAO, Wash., D.C.

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